

MICHAEL S. ENDICOTT
ATTORNEY AT LAW
225 COURT ST., BOX 181
PAINTSVILLE, KY 41240

RECEIVED
MAR 23 2005
PUBLIC SERVICE
COMMISSION

(606) 789-8232

FAX (606) 789-0018

March 21, 2005

Attention: Beth O'Donnell
Executor Director
Public Service Commission
P.O. Box 615
Frankfort, Ky 40602

Case No. 2005-00123

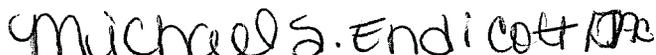
Re: Application of Larry Stambaugh

Dear Ms. O'Donnell:

Please find enclosed one original and ten copies of the application/joint petition for filing.

If you have any questions, please don't hesitate to call.

Sincerely,


Michael S. Endicott

MSE/jac

Enclosure: Joint Petition

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
CA NO. 2005-00123

RECEIVED
MAR 28 2005
PUBLIC SERVICE
COMMISSION

IN THE MATTER OF: Joint Petition of Keith Fairchild, Appalachian Waster Control, Inc., Lance Bowling, East Kentucky Waste Control (dba)and Larry Stambaugh and the purchase of certain residential sewer lease currently operated by Appalachian Waste Control Inc.

JOINT PETITION

Larry Stambaugh, having being duly subscribed and states under oath in support of this petition as follows:

That the petitioner, Larry Stambaugh, is a resident of P.O. Box 915, Staffordsville, Johnson County, Kentucky.

Joint Petitioner, Lance Bowling, dba, East Kentucky Waste Control, current operator of said facility is also moving in this Petition to approve this transfer;

Joint Petitioner, Keith Fairchild of Appalachian Waste Control, Inc., is also moving as a joint petitioner in this matter for the approval and transfer of these facilities.

The Petitioner herein is asking for permission and approval before the Public Service Commission for the transfer purchase of certain residential sewer operations located in Johnson County, Kentucky, and operated by Appalachian Waste Control Inc. The owner being Lance Bowling and former operator being Keith Fairchild.

The facilities in question are as follows:

23 residential units located at Richmond Hills Estates, Johnson County, Kentucky;

25 residential units located at Preston Estates, Johnson County, Kentucky;

15 residential units located at Paradise Valley, Johnson County, Kentucky;

7 residential units located at Neil Price Estates Subdivision located in Thelma, Johnson County, Kentucky;

11 units located at Burkeshire Estates, Hager Hill, Johnson County, Kentucky.

Attached hereto is Exhibit A, a list of all current residential owners of the above subject

properties.

That a 3rd party agreement has been entered between Larry Stambaugh and Appalachian Waste Control Inc., subject to approval of this Commission, to convey, transfer and purchase all necessary real property, by Quit Claim Deed, and all treatment plants, all treatment plant facilities, and component parts fully assembled and in working condition from Appalachian Waste Control Inc., and a copy of this agreement attached hereto as Exhibit B.

The Net Value of all the units in question, although not specifically assessed, would have to be less than (\$20,000.00) twenty-thousand dollars in total value.

The operating expenses herein are estimated to be approximately one thousand dollars (\$1,000.00) per month. Larry Stambaugh has a line of credit through Altra Federal Credit Union for the sum of two thousand dollars (\$2,000.00) established as necessary to cover two (2) months operating expenses.

Petitioner, Larry Stambaugh, has sufficient income sources to provide sufficient financial stability to maintain, operate, and repair the facilities in question as is needed. Petitioner is gainfully employed with The Paintsville Utilities Commission and the operations in question will be financially self sufficient since the Petitioner will perform all upkeep, maintenance and repairs without cost to the operation itself.

The Petitioner is qualified to manage the facility in question as it is a simple one man operation. The Petitioner has obtained in the last (4) four years, his Class 1 WWTP Operators License, his Class 2 and Class 3 Operators Licenses, he is currently employed at the Honey Branch Waste Water Treatment Facility for the City of Paintsville Utilities Company. He is completely capable of maintaining, repairing, all units as is necessary and to make necessary repairs thereto, as this is a one man operation.

The Petitioner has also obtained the services of Highlands Accounting for the purposes of helping assist in maintaining accurate accounting of book records including account receivables, expenses.

The Petitioner also has managerial skills at his current employment with the Paintsville Utilities to manage the financial aspects of said operation.

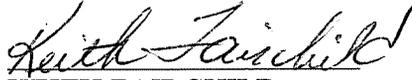
WHEREFORE, the Petitioner, Larry Stambaugh, prays for the foregoing relief:

(1) That this Commission approves the transfer of the facilities in question for consideration herein contained.

PETITIONERS:


LARRY STAMBAUGH


LANCE BOWLING


KEITH FAIRCHILD

STATE OF KENTUCKY

COUNTY OF JOHNSON

The foregoing Petition was hereby acknowledged, subscribed and sworn to before me by Larry Stambaugh, on this the 18 day of March, 2005.

My Commission expires: 06-21-08.

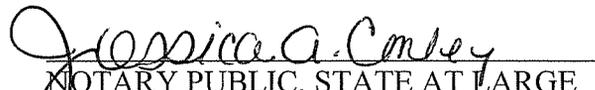

NOTARY PUBLIC, STATE AT LARGE

STATE OF KENTUCKY

COUNTY OF JOHNSON

The foregoing Petition was hereby acknowledged, subscribed and sworn to before me by Lance Bowling, on this 14 day of March, 2005.

My Commission expires: 06-21-2008.

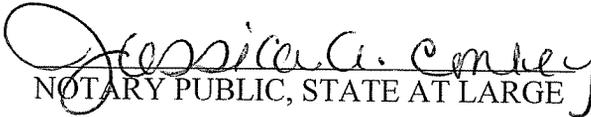

NOTARY PUBLIC, STATE AT LARGE

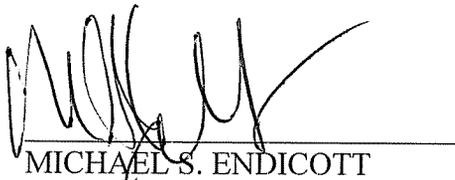
STATE OF KENTUCKY

COUNTY OF JOHNSON

The foregoing Petition was hereby acknowledged, subscribed and sworn to before me by Keith Fairchild, on this 14 day of March, 2005.

My Commission expires: 06-21-2008


NOTARY PUBLIC, STATE AT LARGE


MICHAEL S. ENDICOTT

Attorney at Law
225 Court Street
P.O. Box 181
Paintsville, Ky 41240
(606) 789-8232

AGREEMENT

WHEREAS, East Kentucky Waste Control, a Kentucky Corporation, operated by Lance Bowling hereinafter referred to as the Seller and Larry Stambaugh hereinafter referred to as Purchaser.

PURPOSE

Purpose of this agreement is to enter into a Buy and Sale Agreement to transfer a certain residential septic sewer systems located namely in Richmond Hill Estates, Preston Estates, Paradise Valley, Neil Price Estates and Burkeshire Estates in the Neil Price Subdivision, attached hereto is Exhibit A are the names in which service is provided.

That for and consideration of the payment of all ad valorem and/or outstanding property taxes, the Seller does hereby agree to transfer and convey complete and total ownership systems, including the necessary Quit Claim Deeds to subject properties and all personal property and equipment.

The parties understand that this agreement is conditional upon approval of the sale by the Kentucky Public Service Commission.

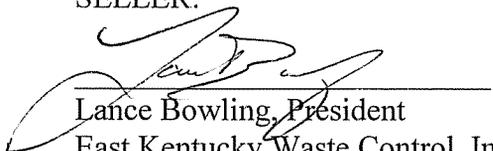
The seller herein does hereby warrant title to subject properties in question which will be conveyed by a separate Deed of Conveyance.

The Buyer herein acknowledges that there are certain outstanding liabilities namely ad valorem taxes which the Buyer shall be responsible for payment thereof within (1) one year from the date of entry of this agreement The Buyer further acknowledges that he shall be responsible for all repairs, maintenance and up keep on the subject premises and residential sewer and treatment plant facilities as required by law.

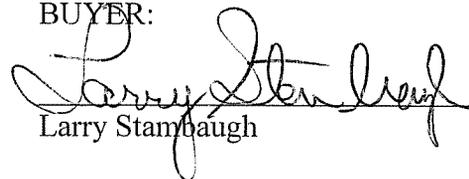
That for the considerations contained herein as promised by the Buyer, the Seller agrees to sell, transfer and convey said subject facilities in their entirety.

The Buyer shall not be responsible for any debt or other obligation of Appalachian Water Control Inc., except those contained herein. The parties agree this agreement is not the buy or sell of Appalachian Water Control Inc. but only those components contained herein.

SELLER:


Lance Bowling, President
East Kentucky Waste Control, Inc.

BUYER:


Larry Stambaugh

STATE OF KENTUCKY

COUNTY OF JOHNSON

The foregoing Petition was hereby acknowledged, subscribed and sworn to before me by Lance Bowling, on this the 14 day of March, 2005.

My Commission expires: 06-21-2008.

Jessica A. Conley
NOTARY PUBLIC, STATE AT LARGE

STATE OF KENTUCKY

COUNTY OF JOHNSON

The foregoing Petition was hereby acknowledged, subscribed and sworn to before me by Larry Stambaugh, on this the 18 day of March, 2005.

My Commission expires: 06-21-2008.

Jessica A. Conley
NOTARY PUBLIC, STATE AT LARGE

THIS INSTRUMENT WAS PREPARED BY:

Michael S. Endicott
MICHAEL S. ENDICOTT

Attorney at Law
225 Court Street
P.O. Box 181
Paintsville, Ky 41240
(606) 789-8232



608-787-4500 • 800-755-0055 • 2715 Losey Blvd. South La Crosse, WI 54601-7409

Business Lending Department Fax Cover Page

Date: 3/17/2005

Total Pages including cover: 2

To: Mr. Michael Endicott

Fax: (608) 789-0018

From: Laura Rosenthal

Fax: (608) 787-7179

Phone: 608-787-7516

Email: lrosenthal@tranefcu.org

Subject: Stambaugh Reference

Comments:

This transmission is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of this message is not the intended recipient, you are hereby notified that any disclosure, distribution or copying of this information is strictly prohibited. If you have received this fax in error, please call or fax the Altra department number listed below.

**TRANE FEDERAL
CREDIT UNION**

March 17, 2005

RE: Larry Stambaugh

VIA FACSIMILE 606-789-0018

Mr. Michael Endicott

Dear Mr. Endicott:

The purpose of this letter is to offer a letter of reference at the subject member's request. We are confirming that Altra Federal Credit Union has an existing relationship with the subject member and that relationship has existed since September 29, 1994.

They have informed Altra of a pending transaction. The transaction has been described as a start-up business venture.

Altra has standing lines of credit in the low four figure range and they are fully funded. All past transactions have been handled as agreed.

This letter is not a commitment to finance. It is intended to provide a general introduction to those seeking credit reference regarding the subject's capacity to enter into a transaction as described above. If you should have any further questions please feel free to call me at (608) 787-4579.

Sincerely,

Michael E Nickel
Vice President Business Lending
Altra Federal Credit Union

MEN/lmr



MICHAEL S. ENDICOTT
ATTORNEY AT LAW
225 COURT STREET
P.O. BOX 181
PAINTSVILLE, KY 41240

RECEIVED

MAR 23 2005

PUBLIC SERVICE
COMMISSION

Attention: Beth O'Donnell
Executor Director
P.O. Box 615
Frankfort, Ky 40602

